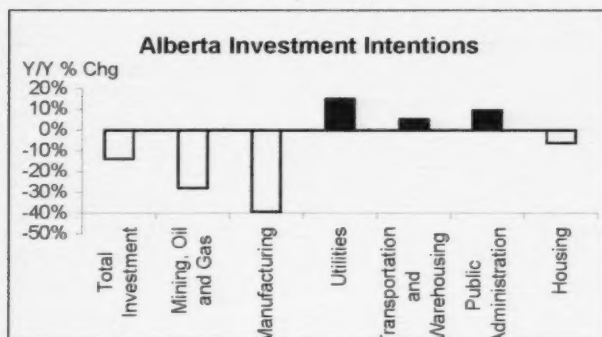


Private and Public Investment Intentions

Oil and gas investment intentions plummet...

The annual Statistics Canada Private and Public Investment Survey was released this week, predicting broadly lower investment in Alberta for 2009. Total investment is expected to fall 14.0%, representing almost 2/3 of the total Canadian decline of \$18.5 billion (-5.4%).



Farm Cash Receipts

Agriculture sector rebounds...

Fourth quarter Alberta farm cash receipts were up 8.5% from a year earlier, due to a 14.3% increase in crop revenue and a 6.8% increase in livestock revenue. Canola and wheat performed especially well last quarter, with year-over-year revenues up 60.6% and 37.8% respectively.

Retail Trade

Consumers are retrenching...

Retail trade fell substantially across Canada in December, with Alberta among the hardest hit. On a year-over-year basis, retail sales in Alberta fell 7.9%; a drop exceeded only by the 10.4% decline in British Columbia. While most sectors felt the pain, some of the greatest sales decreases were seen in new cars, building supplies and (surprisingly) alcohol.

Labour Market

Employment insurance steps up...

The number of Albertans receiving employment insurance in December rose by 30.3% from a year earlier, an increase exceeded only by British Columbia. On the other hand, the percentage of



Canadian Dollar (US\$/C\$)

February 27, 2009	78.70
February 20, 2009	79.74
2008-09 YTD	90.60



WTI Oil US\$/bbl

February 26, 2009	\$ 45.22
February 19, 2009	\$ 39.48
2008-09 YTD	\$ 90.48



Nymex Natural Gas C\$/MMBtu *

February Contract	
February 27, 2009	\$ 4.97
February 20, 2009	\$ 5.05

* Estimate based on Nymex Futures Market Price

unemployed Albertans receiving regular benefits continues to be extremely low (23%). While year-over-year average weekly earnings increased by 4.0% in December, this was considerably less than the 5.6% rise recorded in November.

United States Economy

Worse than initial estimates...

The unrelenting stream of bad news from south of the border continued this week. Not only did the S&P 500 reach a 12-year low on Monday, but revised data showed a 6.2% annualised fall in real GDP in the fourth quarter of 2008. This was higher than anticipated and also represents the most severe quarterly contraction since 1982. US private investment declined substantially, with a 28.8% slide in equipment and software spending and a 22.2% fall in residential investment.

The US downturn shows no signs of slowing, either, as consumer confidence indices continue to fall at the same time as layoffs mount and durable goods orders decline. To add onto the 598,000 non-farm job losses reported in January, GM announced an additional 47,000 job cuts globally as part of the firm's attempt to achieve viability.

Oil prices, on the other hand, rebounded from last week on the strength of data showing lower-than-expected increases in US oil inventories and a modest recovery in US gasoline demand.

Overall Economy	2007	2008	2009YTD*	(year-over-year % change unless otherwise noted)					
				August	Sept	Oct	Nov	Dec	Jan
Real GDP (in 2002 \$billions)	187.5	--	--	--	--	--	--	--	--
% change	3.1	--	--	--	--	--	--	--	--
Nominal GDP (\$ billions)	258.9	--	--	--	--	--	--	--	--
% change	8.1	--	--	--	--	--	--	--	--
Population ¹ (000's) (level)	3,511	3,585	--	--	--	3,611	--	--	--
% change	2.6	2.1	--	--	--	2.4	--	--	--
Net Interprovincial Migration ¹ (level)	33,809	10,010	--	--	--	4,927	--	--	--
Net International Migration ¹ (level)	16,136	19,283	--	--	--	4,907	--	--	--
Net Non-permanent Residents ¹ (level)	13,539	17,890	--	--	--	8,061	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	2,025	2,007	2,022	2,035	2,032	2,023	2,025
% change	4.7	2.8	1.2	1.9	2.3	3.2	3.2	1.5	1.2
Unemployment Rate (%)	3.5	3.6	4.4	3.5	3.8	3.7	3.5	4.2	4.4
Average Hourly Wage Rate	6.0	5.7	6.2	5.3	5.5	6.2	5.0	4.1	6.2
Average Weekly Earnings	4.5	4.8	--	5.3	5.8	3.9	5.8	4.0	--
Labour Income ²	11.4	8.6	--	8.3	8.2	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	1.2	4.0	2.8	2.4	2.1	1.9	1.2
Excluding food and energy	4.9	1.9	1.5	1.5	1.1	1.3	1.8	1.7	1.5
Non-Res. Const. Cost Index ³ (quarterly)	17.3	13.2	--	16.1 (Q3)	--	--	8.8 (Q4)	--	--
Farm Product Price Index	13.5	12.4	--	14.9	-0.5	0.5	-1.8	--	--
Crops	39.5	31.9	--	16.4	-4.5	-9.8	-13.5	--	--
Livestock	0.8	0.8	--	10.5	9.8	13.4	14.2	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	17.2	23.3	24.1	25.2	20.5	20.0	17.2
% change	-2.1	-39.7	-51.5	-53.0	-57.2	-46.8	-52.7	-48.3	-51.5
New Housing Price Index	22.5	0.7	--	-3.3	-3.4	-4.5	-5.1	-6.1	--
Edmonton	32.1	1.0	--	-5.7	-5.8	-7.7	-7.9	-8.2	--
Calgary	16.2	0.6	--	-1.1	-1.2	-1.6	-2.5	-4.3	--
MLS Average Resale Prices	24.3	-1.4	--	-5.2	-5.0	-3.7	-4.2	-7.4	--
Edmonton	34.3	-2.0	--	-4.8	-5.6	-8.6	-2.0	-5.7	--
Calgary	18.7	-2.9	--	-8.0	-6.0	-5.6	-6.0	-9.4	--
Retail Sales	9.3	-0.2	--	-3.1	2.1	3.1	-5.9	-7.9	--
New Motor Vehicle Sales	3.3	-7.2	--	-13.5	-1.9	-2.6	-11.6	-23.3	--
Business Sector									
Public and Private Investment ⁴	9.1	3.6	-14.0	--	--	--	--	--	--
Mining and oil and gas ⁴	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-24.4	10.7	6.9	18.3	3.5	-10.2	-24.4
Goods Exports (customs based)	5.3	33.2	--	45.4	50.9	43.5	16.4	-7.9	--
Energy	4.4	40.9	--	55.1	63.7	50.8	18.0	-7.9	--
Agriculture	9.8	28.6	--	21.5	24.3	31.5	35.8	16.8	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	--	--	18.4 (Q3)	--	--	8.5 (Q4)	--
Manufacturing Shipments	1.9	6.9	--	10.1	20.6	7.6	-4.7	-7.8	--
Wholesale Trade	4.5	10.9	--	11.7	21.4	14.8	7.4	14.3	--
Building Permits	13.4	-16.6	--	-31.2	-17.3	-42.4	-13.4	-33.1	--
Residential	10.7	-32.2	--	-46.5	-44.5	-34.2	-38.6	-39.9	--
Non-residential	17.1	4.2	--	-8.2	29.4	-48.9	24.3	-25.2	--

Alberta Finance and Enterprise

* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

¹ Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). Year-to-date value is actual 2008. The October population estimate is also the 2009 year-to-date value.

² Total income earning in Alberta including wages and salaries, and supplementary income.

³ Average of Calgary and Edmonton.

⁴ 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2008)											
Real GDP Growth											
2007 (actuals, Statistics Canada)	2.7%	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	3.1%	3.0%
2008	0.7%	1.5%	0.7%	1.5%	1.0%	0.9%	0.2%	2.7%	5.2%	1.2%	1.2%
2009	1.5%	-0.7%	1.3%	1.0%	0.8%	1.5%	0.8%	2.4%	3.6%	2.6%	1.8%
Population (As of October 1, 2008)											
Population	33,441,277	508,944	140,750	939,125	747,790	7,771,854	12,977,059	1,210,547	1,020,847	3,610,782	4,405,534
Annual Growth Rate ^a	1.19%	0.30%	1.54%	0.26%	0.19%	0.87%	1.07%	1.10%	1.49%	2.36%	1.64%
Net Interprovincial Migration											
2008 Census Year (July 1 2007 to June 30 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	10,010	11,458
3rd Quarter (July 1 to September 30 2008)		823	127	-722	-741	-3,046	-3,200	-1,515	2,064	4,927	1,484
Employment											
Level Change (000s) ^b	-109.9	-7.4	-1.9	2.6	3.2	-39.2	-70.2	3.5	16.6	23.5	-40.6
Percent Change ^b	-0.7%	-3.6%	-2.9%	0.6%	0.9%	-1.0%	-1.1%	0.6%	3.3%	1.2%	-1.8%
Unemployment Rate, 2009 avg	7.2	14.3	11.9	8.8	8.7	7.7	8.0	4.6	4.1	4.4	6.1
Participation Rate, 2009 avg	67.4	59.0	67.2	64.6	65.1	65.3	67.6	69.5	70.2	74.9	65.7
Average Weekly Earnings (SA)											
December 2008	801.92	752.98	660.85	697.05	750.22	757.41	832.88	735.22	773.63	888.97	773.25
% Increase ^c	2.7%	3.4%	5.1%	2.8%	3.6%	3.0%	2.6%	2.8%	4.6%	4.0%	0.5%
Wage Settlements (December 2008)										6.1%	
CPI Inflation											
January Annual	1.1%	0.9%	-0.1%	-0.1%	-0.5%	0.5%	1.4%	1.4%	2.4%	1.2%	1.4%
Excluding Shelter	0.3%	-0.2%	-0.2%	-0.7%	-1.0%	-0.2%	0.3%	0.4%	0.1%	0.5%	1.1%
Housing Starts (000s)											
SAAR January 2009	153.5	3.6	0.6	2.8	3.8	45.3	54.7	3.6	3.8	17.2	18.1
Retail Sales											
Percent Change ^c	-4.8%	0.6%	0.9%	-0.4%	1.6%	-0.1%	-5.8%	-0.4%	-1.4%	-7.9%	-10.4%
Avg. Monthly % Change (Jan-Dec 2008)	-0.5%	-0.1%	-0.1%	-0.2%	-0.1%	-0.1%	-0.6%	-0.2%	-0.2%	-0.9%	-1.0%
Manufacturing Shipments											
Percent Change ^c	-6.5%	-33.7%	-7.6%	-12.9%	-30.8%	-3.0%	-5.5%	2.8%	-0.9%	-7.8%	-10.7%

a. Over the past 12 months

b. January 2009 Y/Y change, unadjusted for seasonal effects

c. December 2008 Y/Y change, unadjusted for seasonal effects

SA-Seasonally Adjusted

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada